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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular accompanying with the form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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廣州白雲山醫葯集團股份有限公司

GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.

(a joint stock company with limited liability established in the People's Republic of China)

(H Share Stock Code: 0874)

- (1) PROPOSED GENERAL MANDATE TO THE COMPANY FOR ISSUING
MEDIUM-TERM NOTES;**
- (2) PROPOSED GENERAL MANDATE TO GP CORP. FOR ISSUING MEDIUM-
TERM NOTES AND SUPER-SHORT-TERM DEBENTURES;**
- (3) PROPOSED RE-APPOINTMENT OF AUDITORS;**
- AND**
- (4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 3 to 5 of this circular. The notice convening the EGM to be held at the Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Friday, 28 August 2020 at 10:00 a.m. or any adjournment thereof is set out on pages EGM-1 to EGM-5 of this circular.

Whether or not you intend to attend the EGM, please complete the form of proxy despatched together with the aforementioned notice in accordance with the instructions printed thereon and return the form of proxy to the office of the Company's H Share Registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) as soon as possible and in any event not less than 24 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

14 July 2020

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“A Shares”	RMB-denominated domestic shares in the share capital of the Company with a nominal value of RMB1.00 each and are listed on the SSE
“AGM”	the annual general meeting of the Company for year 2019 held on Monday, 29 June 2020 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited* (廣州白雲山醫藥集團股份有限公司), a joint stock company with limited liability established in the PRC, whose H Shares and A Shares are listed on the HKEX and the SSE respectively
“Directors”	the directors of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be held on Friday, 28 August 2020 at 10:00 a.m., including any adjournment thereof
“GP Corp.”	Guangzhou Pharmaceuticals Company Limited
“H Shares”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each and are listed on the HKEX
“HKEX”	The Stock Exchange of Hong Kong Limited
“HKLR”	the Rules Governing the Listing of Securities on the HKEX
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which for the purposes of this Circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Shareholder” a holder of the A Shares and/or H Shares

“SSE” Shanghai Stock Exchange

“WUYIGE” WUYIGE Certified Public Accountants LLP

“%” per cent

* *For ease of reference, the names of the PRC established companies or entities (if any) and the PRC laws and regulations (if any) have generally been included in this circular in both Chinese and English languages and the English names are for identification purposes only. In the event of inconsistency, the Chinese language shall prevail.*

^ *Where the context so permits or requires, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.*

All times stated in this circular refer to Hong Kong time.

LETTER FROM THE BOARD



廣州白雲山醫葯集團股份有限公司

GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.

(a joint stock company with limited liability established in the People's Republic of China)

(H Share Stock Code: 0874)

Executive Directors:

Mr. Li Chuyuan
Mr. Yang Jun
Ms. Cheng Ning
Ms. Liu Juyan
Mr. Li Hong
Mr. Wu Changhai
Mr. Zhang Chunbo

Independent non-executive Directors:

Mr. Wong Hin Wing
Ms. Wang Weihong
Mr. Chen Yajin
Mr. Huang Min

Registered office and principal place of business:

45 Sha Mian North Street
Liwan District
Guangzhou City, Guangdong Province
The PRC

Principal place of business in Hong Kong:

Room 2005, 20th floor
Tower Two Lippo Centre
89 Queensway
Hong Kong

14 July 2020

To the Shareholders

Dear Sir or Madam

- (1) PROPOSED GENERAL MANDATE TO THE COMPANY FOR ISSUING
MEDIUM-TERM NOTES;**
**(2) PROPOSED GENERAL MANDATE TO GP CORP. FOR ISSUING MEDIUM-
TERM NOTES AND SUPER-SHORT-TERM DEBENTURES;**
(3) PROPOSED RE-APPOINTMENT OF AUDITORS;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the EGM on, among other things, (i) the proposed general mandate to the Company for issuing medium-term notes; (ii) the proposed general mandate to GP Corp. for issuing medium-term notes and super-short-term debentures; (iii) the proposed re-appointment of auditors and give you the notice of the EGM.

LETTER FROM THE BOARD

2. PROPOSED GENERAL MANDATE TO THE COMPANY FOR ISSUING MEDIUM-TERM NOTES

In order to enable the Company to reduce its financing costs and optimize its financing structure, pursuant to the relevant laws and regulations, the Articles of Association and the actual circumstances, the Company proposed to the Shareholders to generally and unconditionally authorize the Company to apply for registration and issuance of medium-term notes with an aggregate amount of not more than RMB3 billion at the National Association of Financial Market Institutional Investors.

At the same time, in order to simplify the procedures, the Company proposed to the Shareholders to authorize to the management of the Company to proceed with the issuance of medium-term notes of the Company according to the actual market conditions, including but not limited to determining the actual amount to be issued, interest rate, term, target subscribers and use of proceeds, and to authorize the chairman of the Board of the Company to execute relevant documents within the limit approved by the Shareholders.

3. PROPOSED GENERAL MANDATE TO GP CORP. FOR ISSUING MEDIUM-TERM NOTES AND SUPER-SHORT-TERM DEBENTURES

In order to broaden the financing channels and optimize the financing structure of GP Corp., a controlling subsidiary of the Company, according to the relevant laws and regulations, the Articles of Association and the actual situation of GP Corp., the Company proposed to the Shareholders to generally and unconditionally authorize GP Corp., a controlling subsidiary of the Company, to apply for registration and issuance of medium-term notes of not more than RMB1.6 billion and super-short-term debentures of not more than RMB2 billion at the National Association of Financial Market Institutional Investors.

The above resolutions in relation to the proposed general mandate to the Company for issuing medium-term notes and the proposed general mandate to GP Corp. for issuing medium-term notes and super-short-term debentures do not constitute transactions under Chapter 14 and Chapter 14A of the HKLR, but are subject to the approval of the Directors and Shareholders in accordance with the relevant laws and regulations and the Articles of Association. Accordingly, the above two resolutions were considered and approved at the 2nd meeting of the eighth session of the Board of the Company and will be proposed at the EGM for the Shareholders to consider and, if thought fit, approve by way of special resolutions. If the above two resolutions are approved at the EGM, the Company and GP Corp., a subsidiary of the Company, will issue the medium-term notes and the super-short-term debentures in due course within the limit of the general mandate, which shall be valid for a period of 36 months from the date on which the relevant resolutions are passed at the EGM.

4. PROPOSED RE-APPOINTMENT OF AUDITORS

Reference is made to the announcement of the Company dated 11 June 2020, the appointment of auditors of the Company and the determination of their remuneration will not be considered at the AGM but will be considered at a separate general meeting to be held after the AGM as additional time is required for the Company to consider the appointment of auditors.

LETTER FROM THE BOARD

Taking into account the recommendation made by the audit committee of the Company, the Board has resolved to re-appoint WUYIGE as the auditors of the Company for year 2020 and the auditors of the Company for internal control for year 2020 and to hold office until the conclusion of the annual general meeting of the Company for 2020. In this regard, two separate ordinary resolutions will be proposed at the EGM for the Shareholders to consider and, if thought fit, approve the appointment of WUYIGE as the auditors of the Company for year 2020 and the auditors of the Company for internal control for year 2020, respectively.

5. CLOSURE OF REGISTER OF MEMBERS FOR HOLDERS OF H SHARES

The register of members of the Company will be closed from Wednesday, 29 July 2020 to Friday, 28 August 2020 (both days inclusive) for the purpose of determining the entitlements of the Shareholders to attend the EGM, during which no transfer of H Shares will be effected. In order to determine who are entitled to attend the EGM, all share transfer documents of H shares together with the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, namely Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Tuesday, 28 July 2020.

6. EGM

The EGM will be held at the conference room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Friday, 28 August 2020 at 10:00 a.m. The notice convening the EGM is set out on pages EGM-1 to EGM-5 of this circular.

Whether or not you intend to attend the EGM, please complete the form of proxy despatched together with the aforementioned notice in accordance with the instructions printed thereon and return the form of proxy to the office of the Company's H Share Registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) as soon as possible and in any event not less than 24 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

All the votes of the Shareholders at the EGM will be taken by poll.

7. RECOMMENDATIONS

The Directors consider that (i) the proposed general mandate to Company for issuing medium-term notes; (ii) the proposed general mandate to GP Corp. for issuing medium-term notes and super-short-term debentures; and (iii) the proposed re-appointment of auditors as mentioned in this circular is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of all the proposed resolutions at the EGM.

LETTER FROM THE BOARD

8. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular

Yours faithfully,

The Board of

Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

NOTICE OF THE EGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



廣州白雲山醫葯集團股份有限公司

GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.

(a joint stock company with limited liability established in the People's Republic of China)

(H Share Stock Code: 0874)

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2020

IMPORTANT NOTICE

- Date and time of the second extraordinary general meeting in 2020 (the “EGM”) to be held on-site: 28 August 2020 (Friday) at 10:00 a.m.
- Registration date of the EGM: 28 July 2020 (Tuesday)
- Place of the EGM: Conference Room of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “Company”), 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”)
- Manner of the voting at the EGM: the manner of the voting at the EGM will be both on-site and by way of network voting (applicable to A shares)

I. INFORMATION REGARDING THE CONVENING OF THE EGM

1. The resolution on convening the EGM was considered and passed at the 2nd meeting of the eighth session of the board of directors of the Company (the “Board”).
2. Date and time of the EGM: 28 August 2020 (Friday) at 10:00 a.m.
3. Place of the EGM: Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.
4. The convener of the meeting: the Board.
5. Manner of voting: the manner of voting for the EGM will be both on-site and by way of network voting (applicable to A shares).
6. The system, commencement date, ending date and voting time of the network voting (applicable to A shares):

NOTICE OF THE EGM

The Company will utilize the network voting system of The Shanghai Stock Exchange. The time for casting votes via the voting platform of the trading system is the trading sessions on the date on which the EGM will be held (28 August 2020) i.e. 9:15 to 9:25, 9:30 to 11:30 and 13:00 to 15:00. The time for casting votes via network voting will be from 9:15 to 15:00 on the date on which the EGM will be held.

7. The voting procedure of accounts in respect of margin trading and securities lending, refinancing, buy-back agreement business and investors of the Northbound Trading Link shall be conducted in accordance with, among others, the relevant provisions of the Detailed Rules of the Shanghai Stock Exchange for Online Voting at Shareholders' General Meetings of Listed Companies.

8. Solicitation of shareholders' voting rights

Not applicable.

II. MATTERS TO BE CONSIDERED AT THE EGM

(1) To be considered by way of special resolution:

1. Resolution on proposal to the general meeting on grant of general mandate to the Company for issuing medium-term notes;
2. Resolution on proposal to the general meeting on grant of general mandate to Guangzhou Pharmaceutical Company Limited, a controlling subsidiary of the Company, for issuing medium-term notes and super-short-term debentures.

The above resolution was approved at the 2nd meeting of the eighth session of the Board held on 8 July 2020.

(2) To be considered and approved by way of ordinary resolutions:

3. Resolution on re-appointment of WUYIGE Certified Public Accountants LLP as the auditors of the Company for year 2020 ;
4. Resolution on re-appointment of WUYIGE Certified Public Accountants LLP as the auditors for the internal control of the Company for year 2020.

The above resolutions were approved at the 2nd meeting of the eighth session of the Board and the 2nd meeting of the eighth session of the supervisory committee of the Company held on 8 July 2020.

NOTICE OF THE EGM

III. ATTENDEES OF THE EGM AND BOOK CLOSURE PERIOD FOR HOLDERS OF H SHARES

1. Holders of domestic shares (A shares) and overseas listed foreign shares (H shares) whose names appear on the register of members of the Company after the end of the trading hours on 28 July 2020 (Tuesday) (including those holders of H shares who have submitted verified application documents for the transfer of shares on or before 28 July 2020) are entitled to attend the EGM. The register of members of the Company will be closed from 29 July 2020 (Wednesday) to 28 August 2020 (Friday) (both days inclusive) during which no transfer of H shares will be effected. In order to determine who are entitled to attend the EGM, all share transfer documents of H shares together with the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, namely Hong Kong Registrars Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for share transfer registration no later than 4:30 p.m. on 28 July 2020 (Tuesday).
2. Any shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (whether or not he/she is a shareholder) to attend and vote at the meeting on his/her behalf. If any shareholder appoints more than one proxy, the proxies can only vote by poll. To be valid, the proxy form and the notarially certified power of attorney and/or other documents of authorization (if any) must be delivered to the address of the Company's office (for holders of A shares) or the office address of the Company's H share Registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H shares) not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof.
3. Shareholders who intend to attend the EGM in person or by proxy should complete and return the attached reply slip by hand, by mail or by fax in accordance with the instructions printed thereon on or before 7 August 2020 (Friday). Failure to return the attached reply slip before the above deadline will not affect the attendance of eligible shareholders at the EGM.
4. The directors, supervisors and senior management of the Company.
5. The lawyers of the Company.

IV. REGISTRATION FOR THE EGM

A. Methods of registration

To attend the EGM, an individual shareholder should bring along his/her identity card, shareholder account card of the principal; a proxy should bring along the proxy form, his/her identity card and the identity card of the principal and the shareholder account card for registration purpose. A legal person shareholder should bring along a copy of the business license, the proxy form signed by the representative of the legal entity, the shareholder account card of the principal and the identity card of the attendee for registration purpose.

NOTICE OF THE EGM

B. Place and time of registration:

Registration date and time: 09:30 a.m.-11:30 a.m. and 2:00 p.m.- 4:30 p.m. on 7 August 2020 (Friday)

Place of registration: Office of the secretariat to the Board, 2nd Floor, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC

V. OTHERS

1. Address: 2nd Floor of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC

Postal code: 510130

Contact person: Huang Ruimei/Tan Yanli

Tel: (8620) 6628 1216/6628 1220

Fax: (8620) 6628 1229

Email: sec@gybys.com.cn

2. Address of Shanghai Branch of China Securities Depository and Clearing Corporation Limited: 3/F., China Insurance Building, No. 166 Lujiazui Road East, Shanghai, the PRC

Address of Hong Kong Registrars Limited: Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

3. The EGM is expected to last for half a day. Shareholders attending the EGM shall be responsible for their own travelling and accommodation expenses.

NOTICE OF THE EGM

4. In order to cooperate with the relevant arrangements in relation to the prevention of COVID-19 coronavirus epidemic, the Company proposes to the shareholders and proxies to attend the EGM through network voting (applicable to A shares) or casting their votes by submitting the proxy form to appoint the Chairman of the EGM or Company Secretary of the Company as their proxies to vote according to their indicated voting instructions as an alternative to attending the EGM in person. Non-registered shareholders whose shares are held through the Hong Kong Securities Clearing Company Limited, banks, brokers or other custodians are advised to consult with them directly to assist in the appointment of proxy. Shareholders who intend to attend the EGM in person should pay attention to the following in addition to bringing along the relevant identification documents and materials for the meeting:
- (i) during the journey to reach, and at, the venue of the EGM, please keep a good personal protection.
 - (ii) after arriving at the venue, please follow the staff's arrangement to register attendance, check body temperature and coordinate with other precautionary measures. Those with normal body temperature will be admitted to the venue and must wear facial mask during the entire EGM.
- 5 Reporters attending the EGM shall register before the registration time for the shareholders.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions passed at the 2nd meeting of the eighth session of the Board and the relevant announcement.
2. Resolutions passed at the 2nd meeting of the eighth session of the supervisory committee of the Company and the relevant announcement.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 13 July 2020

As at the date of this notice, the Board comprises Mr. Li Chuyuan, Mr Yang Jun, Ms. Cheng Ning, Ms. Liu Juyan, Mr. Li Hong, Mr. Wu Changhai and Mr. Zhang Chunbo as executive directors, and Mr. Wong Hin Wing, Ms. Wang Weihong, Mr. Chen Yajin and Mr. Huang Min as independent non-executive directors.